GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

STARRED QUESTION NO:412
ANSWERED ON:03.05.2007
REVISION OF PAY SCALES IN PSUS
Bellarmin Shri A.V.;Khan Shri Sunil

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the employees of Burn Standard Company Limited (BSCL), Braithwaite and Company Limited (BCL), Tyre Corporation of India Limited (TCIL) and Bharat Wagon & Engineering Company Limited (BWEL) are getting pay scales still at the level of 1987 scale;

(b) if so, the details thereof alongwith the reasons therefor; and

(c) the steps being taken to revise the pay scales in such PSUs keeping in view the high inflation rate prevailing in the market?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI SONTOSH MOHAN DEV)

(a) to (c): A Statement is laid on the Table of the House.

STATEMENT

Statement referred to in reply to parts (a) to (c) of the Lok Sabha Starred Question No.412 for reply on 03.05.2007 raised by S/Shri Sunil Khan and A.V. Bellarmin regarding revision of pay scales of PSUs.

(a) No, Sir. The employees of Burn Standard Company Limited (BSCL), Braithwaite and Company Limited (BCL), and Bharat Wagon & Engineering Company Limited (BWEL) are getting 1992 scale of pay. Only the employees of Tyre Corporation of India Limited (TCIL) are getting 1987 scale of pay.

(b) TCIL, BSCL and BWEL are loss making and BIFR referred Companies. Only BCL has been revived during 2005-06 and has been discharged from purview of BIFR on 29.06.2006. The DPE guidelines for pay revision stipulate the following:-

(i) In respect of sick enterprises referred to the BIFR, revision of pay scales would be strictly in accordance with rehabilitation packages approved or to be approved by the BIFR and after providing for the additional expenditure on account of pay revision in these packages; and

(ii) The resources for meeting the increased obligation for salaries and wages must be internally generated and must come from improved performance in terms of productivity and profitability and not from Government subvention.

Since BSCL, BCL, BWEL and TCIL are not generating enough resources to pay for the higher pay scale of 1997, therefore these PSEs could not give 1997 pay scales to their employees.

(c) The steps taken include revival of BSCL, BWEL and TCIL through restructuring/revival proposals. So far as BCL is concerned, all out efforts are being made to improve the financial condition after its restructuring.